



## **FY 2007-08 BUDGET PRESENTATION**

### **AGENCY REQUESTS**

### **PUBLIC HIGHER EDUCATION REQUESTS**

## **SENATE FINANCE HIGHER EDUCATION BUDGET SUBCOMMITTEE**

### **COMMITTEE MEMBERS**

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**March 15, 2007**

## Commission on Higher Education Agency Budget Requests for FY 2007-08

The Commission's agency budget request priorities for FY 2007-08 represent, in part, how the Commission plans to address some of the important issues facing the higher education community in South Carolina. These priorities, outlined below, are part of the Commission's continuing efforts to align available resources to our stated goals and objectives. For requested data regarding agency staffing and funding history, see Attachment 1. Copies of CHE proviso requests are found in Attachment 2.

	<b>CHE Requests</b>	<b>W&amp;M Recommendation</b>
<b><u>CHE Core Mission Functions</u></b>		
Technology Funds for CHE	\$130,000 increase	not recommended
Academic Program Review	\$324,000 increase	not recommended
<b><u>Other Statewide Initiatives</u></b>		
EEDA Technology Initiatives	\$275,000 increase	\$275,000 recommended
GEAR-UP State Match	\$600,000 to continue full state match for federal funds <sup>1</sup>	not recommended
Access & Equity - Increasing under-represented populations in healthcare fields	\$400,000 increase	not recommended
SREB Program Increases	\$527,250 increase	\$527,250 recommended
<b>Subtotal</b>	<b>\$2,256,250</b>	<b>\$802,250</b>

<sup>1</sup> State funding for this item in FY 2006-07 was \$1.2 million with \$600,000 in recurring and \$600,000 in nonrecurring. CHE request is to continue the full match again for FY 2007-08

## Public Higher Education Institutions - Budget Request Fiscal Year 2007-08

The following lists CHE's budget requests on behalf of higher education. The requests are listed in priority order as adopted by the Commission. CHE finds the highest priority is for funding to address core institutional operations or "educational and general" funding. The next two highest priorities are continued funding for the Statewide Higher Education Electronic Library, which is revolutionizing how library resources are accessed, and increased funding for Need Based Grants to assist our state's neediest students in attending college.

	CHE Requests	W&M Recommendation
Funds for Institutional Operating Needs	\$45,000,000 which is an increase of HEPI (5%) plus 1.5%	Not funded as recommended. W&Ms includes \$19,042,156 in CHE for allocation to institutions per W&M's recommended proviso #5A.25.
Annualize non-recurring FY 2006-07 Operating Funds (including FY 2006-07 "MRR Parity", Research funding for USC & Clemson, and Allied Health for Techs)	\$30,517,840 continued	Not funded as recommended. W&M recommends \$9 million of this request.  <u>Other:</u> W&M recommends another \$44 million in recurring and nonrecurring funding across institutions for other requests including some of the CHE "below-the-line" items and LightRail.
Statewide Higher Ed. Electronic Library	\$2,000,000 continued	<u>not recommended</u>
<u>Lottery Funding -</u>	Continue higher ed items	All higher ed items continued.
Increase Need-based Grants	\$10,000,000 increase	<u>not recommended</u> ; <i>lottery provision added to provide excess unclaimed prize funds.</i>
Re-establish Lottery Teacher Grants	\$1,500,000	<u>not recommended</u>
SC Light Rail	\$4,500,000 non-recurring	\$4,500,000 non-recurring to Clemson, USC, & MUSC
SC Manufacturing Extension Partnership	\$1,200,000	<u>not recommended</u>
Univ. Center of Greenville, Operating	\$1,123,000	\$1,550,000 non-recurring
Univ. Center, Greenville Tech Debt Service	\$646,172	\$1,123,000 non-recurring
EPSCoR	\$1,057,464	<u>not recommended</u>
Institutional Special "Below-the-Line" Items. See Attachment 3 for details.	\$4,840,509	All but \$679,673 of these requests are recommended.

### Capital Requests

33 projects - ranking of the first priority projects of each institution for a total of \$406,712,263.

See Attachment 4 for details.

## SC Education Lottery

### Continue Higher Education Programs funding through Lottery Proceeds

Below is information regarding higher education items funded through the SC Education Lottery. CHE requests continued funding of each of the existing programs, increased funding of \$10 million for Need-Based Grants, and restored funding in the amount of \$1.5 million for Teacher Education Grants. The programs are not listed in any particular order.

	FY 2006-07 Funding Level	FY 2007-08 W&M Recommendation	
<b>Need Based Grants Total includes:</b>	\$23,246,093	\$23,246,093	<u>CHE requested increase of \$10 million not recommended.</u> In FY 2006-07, Need Based was only schol/grant program that did not receive increased funding.
Lottery Funds	\$11,246,093	\$11,246,093	
Other General Funds	\$12,000,000	\$12,000,000	
<b>Teacher Grants</b>	\$0	\$0	<u>CHE requested restoration at \$1.5 million not recommended</u>
<b>Palmetto Fellows Total includes:</b>	\$29,830,758	\$40,915,490	increase by \$11,084,732
Lottery Funds	\$17,830,758	\$28,915,490	
Other General Funds	\$12,000,000	\$12,000,000	
<b>LIFE Scholarships Total includes:</b>	\$141,333,829	\$147,727,542	increase by \$6,393,713
Lottery Funds	\$87,911,636	\$62,604,207	
Other General Funds	\$53,422,193	\$85,123,335	
<b>SC HOPE Scholarships</b>	\$7,144,909	\$7,767,606	increase by \$622,697
<b>Lottery Tuition Assistance</b>	\$47,600,000	\$45,000,000	decrease by \$2,600,000. <u>FY 2007-08 need is level funding.</u>
<b>SC Tuition Grants</b>	\$7,766,604	\$7,766,604	level funding
<b>National Guard Loan Repayment</b>	\$1,700,000	\$1,700,000	level funding
<b>Centers of Economic Excellence (Endowed Chairs)</b>	\$30,000,000	\$30,000,000	level funding
<b>Technology: Public 4-Year &amp; 2-Year</b>	\$12,000,000	\$12,000,000	level funding
<b>SC State University</b>	\$2,500,000	\$2,500,000	level funding
<b>Higher Education Excellence Enhancement</b>	\$4,700,000	\$4,700,000	level funding
<b>Total Lottery Funds Only</b>	<b>\$230,400,000</b>	<b>\$214,200,000</b>	

## **Attachments**

**Attachment 1** ..... Requested Agency Staffing and Funding History,  
FY 2001-02 through FY 2006-07

**Attachment 2** ..... CHE Proviso Requests, FY 2007-08

**Attachment 3** ..... Institutional Special (Below-the-Line) Items, FY 2007-08

**Attachment 4** ..... Statewide Ranking of Capital Requests, FY 2007-08

## CHE Staffing and Agency Funding

Below is requested information in regard to CHE's staffing levels and additional information in regard to CHE's six-year funding history:

### CHE Six-Year History of Number of Employees

	FY 01-02	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07
<b>Executive Director</b>	1	1	1	1	1	1
<b>Unclassified</b>	5	5	2	2	2	1
<b>Classified</b>	27	22	25	24	24	23
<b>Subtotal</b>	<b>33</b>	<b>28</b>	<b>28</b>	<b>27</b>	<b>27</b>	<b>25</b>
<b>Temporary/ Temporary Grant</b>	21	17	24	26	31	30

### Comparison of CHE funds for Operations compared to Agency Funds, FY 2006-07 Appropriations

	FY 01-02	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07
<b>Operations</b>						
Appropriated	\$2,241,079	\$2,298,482	\$2,311,786	\$2,646,481	\$2,693,227	\$2,835,761
Earmarked	\$50,000	\$50,000	\$50,000	\$40,000	\$143,544	\$143,545
Restricted	<u>\$352,250</u>	<u>\$545,067</u>	<u>\$0</u>	<u>\$0</u>	<u>\$260,000</u>	<u>\$260,000</u>
<b>Subtotal</b>	<b>\$2,643,329</b>	<b>\$2,893,549</b>	<b>\$2,361,786</b>	<b>\$2,686,481</b>	<b>\$3,096,771</b>	<b>\$3,239,306</b>
<b>State Funds*</b>	<b>\$90,133,777</b>	<b>\$259,963,417</b>	<b>\$261,162,711</b>	<b>\$288,916,150</b>	<b>\$307,974,832</b>	<b>\$324,868,620</b>
<i>Operations as % of State Funds</i>	<i>2.9%</i>	<i>1.1%</i>	<i>0.9%</i>	<i>0.9%</i>	<i>1.0%</i>	<i>1.0%</i>
<b>Federal Funds</b>	<b>\$3,228,597</b>	<b>\$3,463,597</b>	<b>\$3,134,564</b>	<b>\$3,134,564</b>	<b>\$3,502,607</b>	<b>\$5,946,880</b>
<b>Total All CHE Funds</b>	<b>\$93,362,374</b>	<b>\$263,427,014</b>	<b>\$264,297,275</b>	<b>\$292,050,714</b>	<b>\$311,477,439</b>	<b>\$330,815,500</b>

\* includes state appropriations, supplemental appropriations, earmarked and restricted appropriations and lottery appropriations.

## CHE Proviso Requests

### **1) Request to amend an existing proviso:**

➤ **AMEND 5A.29 (FY08 renumbered 5A.22)** (CHE: Out Of State Eligibility) ~~For Fiscal Year 2006-2007, S~~students who are South Carolina residents and enrolled in out-of-state high schools shall **may** be eligible to receive the Palmetto Fellows, Life, and Hope scholarships. ~~Eligibility shall be calculated utilizing criteria for in-state students. Any fees associated with the resulting conversion of grades or class rank to the South Carolina Uniform Grading Scale shall be the responsibility of the student.~~ **For the purposes of meeting the rank criteria for the Palmetto Fellows and LIFE scholarships, the existing high school rank may be used provided it is calculated per a state-approved, standardized grading scale at the respective out-of-state high school.**

**Explanation:** The proviso was included for the first time in FY 2006-07 and provided SC residents eligible for state merit scholarships who attended high school in another state the availability of the same criteria as used for eligible students attending SC high schools. In brief, it required that the rank in class of the eligible students who had attended out-of-state high schools was to be recalculated on SC's Uniform Grading Scale and used in determining eligibility. Implementation proved problematic. The amendment will simplify the requirements by providing a mechanism whereby the rank can be used while ensuring an equitable treatment of students eligible for the state's merit awards.

*House Ways & Means has included the requested amendment.*

### **2) Proviso requests if requested funding is provided:**

➤ **If the requested increase in Access & Equity Funds is provided** the proposed amendment directs these funds toward programs intended to increase underrepresented populations in nursing and allied health-care:

AMEND 5A.4 (FY08 Renumbered 5A.3) (CHE Access & Equity Programs) Of the funds appropriated herein for the Access and Equity Programs, the Commission on Higher Education shall distribute at least \$98,313 to South Carolina State University, \$24,559 to Denmark Technical College, and \$588,741 to the Access and Equity Program. With ~~the~~ **these** funds ~~appropriated herein~~ the colleges shall supplement their access and equity programs so as to provide, at a minimum, the same level of minority recruitment activities as provided during the prior fiscal year. **Any additional funds appropriated herein for the Access and Equity program shall be used for CHE implementation of statewide program priorities.**

➤ **If the Lottery Teaching Scholarship Grants funding is renewed in FY 2007-08, CHE requests a proviso** to expand eligibility for grants from classroom teachers to other school personnel seeking graduate courses or programs, such as counselors or principals, who are also in increasingly short supply.

NEW (CHE: Teaching Scholarship Grants) Teaching Scholarship Grant funds may also be used to award grants to candidates seeking to add certification as, or pursuing graduate degrees for, librarians, media specialists, guidance counselors, principals, and superintendents.

### Institutional Special (Below-the-Line) Items

Each year institutions submit funding requests for projects in addition to the normal operating funds requests. These projects are referred to as below-the-line items. The projects approved for recommendation in FY 2007-08 include:

	<u>FY 2007-08 Request</u>	<u>W&amp;M Recommendation</u>
<b><u>Clemson University</u></b>		
Call Me Mister	\$1,300,000 <sup>1</sup>	recommended*
Center for Optical Materials Science & Engineering Technology	\$900,000 <sup>1</sup>	recommended*
<b><u>USC-Columbia</u></b>		
Palmetto Poison Center	\$250,000 <sup>1</sup>	recommended*
Small Business Development Center	\$250,000 <sup>1</sup>	recommended*
USC Columbia Technology Incubator	\$200,000 <sup>1</sup>	recommended*
<b><u>MUSC</u></b>		
Hypertension Initiative	\$512,471 <sup>2</sup>	recommended*
<b><u>SC State University</u></b>		
SC Alliance for Minority Participation	\$679,673 <sup>3</sup>	not recommended
University Transportation Center	\$748,365 <sup>1</sup>	recommended* plus <u>\$410,635 in non-recur</u>

\* *Recommended Ways & Means funding for FY 2007-08 is recurring.*

#### Notes:

- 1 – Continuing project previously funded fully or partially with non-recurring funds.  
Request continues funding at FY 2006-07 level.
- 2 – New Request.
- 3 – Recurring item. Increase above base is requested.



## Statewide Ranking of Institutions' Priority One Capital Requests for 2007-08

<u>Rank</u>	<u>Institution</u>	<u>Project Name</u>	<u>Project Type</u>	<u>CIB Funds Requested</u>	<u>Actual Total Points</u>
1	Medical University of South Carolina	College of Dental Medicine	Renovation	\$ 29,700,000	197.48
2	USC - Columbia	School of Law New Building Construction	Replacement Building	\$ 20,000,000	194.65
3	College of Charleston	Expansion & Renovation of Science Facilities	Renovation	\$ 52,300,000	190.48
4	USC - Sumter	Instructional Laboratories Building Construction	Replacement Building	\$ 11,825,000	167.65
5	USC - Upstate	Information Resource Center Construction	Renovation/Replacement	\$ 16,800,000	164.16
6	Aiken Technical College	Industrial Technology Building	Replacement Building	\$ 9,037,493	163.49
7	Midlands Technical College	Engineering Laboratory/Classroom Building - Northeast Campus	Replacement Building	\$ 15,200,000	160.16
8	South Carolina State University	Whittaker Library Expansion/Renovations	Renovation/New Construction	\$ 20,000,000	156.82
9	The Citadel	Capers Hall Replacement	Renovation/Replacement	\$ 26,500,000	154.49
10	Piedmont Technical College	PTC Business/Industrial Technology Center Renovations (A,B,E,F,G)	Renovation	\$ 8,917,440	154.16
11	Clemson University	Air Quality Deficiencies & Critical Deferred Maintenance	Deferred Maintenance	\$ 10,000,000	153.16
12	Trident Technical College	Nursing Building	New Construction	\$ 6,220,000	152.16
13	Winthrop University	Library Construction	New Construction	\$ 35,000,000	150.16
14	Coastal Carolina University	R. Cathcart Smith Science Center Addition & Renovation	Renovation	\$ 45,000,000	149.83
15	Technical College of the Lowcountry	Buildings 6 & 8 Renovations	Renovation	\$ 2,107,000	145.99
16	Orangeburg-Calhoun Technical College	Automotive Training and Transportation Center	New Construction	\$ 1,040,000	140.16
17	USC - Lancaster	Campus Renovations	Renovation	\$ 4,110,000	138.83
18	USC - Salkehatchie	Walterboro Classroom Building & Science Building Renovation	Renovation/Replacement	\$ 2,442,960	135.33
19	Lander University	Jackson Library Renovation	Renovation	\$ 4,750,000	129.00
20	Francis Marion University	School of Education/School of Business Building Construction	New Construction	\$ 15,250,000	128.00
21	USC - Aiken	New Academic Building	New Construction	\$ 11,500,000	125.83
22	USC - Union	Facility Upgrades	Renovation	\$ 700,000	125.33
23	USC-Beaufort	USCB South Campus Classroom Building	New Construction	\$ 6,327,728	121.83
24	Williamsburg Technical College	Technology Building	New Construction	\$ 6,500,000	121.33
25	Spartanburg Technical College	Academic/Library Building Construction - Phase II	New Construction	\$ 9,000,000	117.83
26	Central Carolina Technical College	Health Sciences Building	Renovation	\$ 11,172,075	117.66
27	Florence-Darlington Technical College	Manufacturing Incubator Center	New Construction	\$ 2,880,000	112.83
28	Tri-County Technical College	Replace Clarke-McKissick Classroom Building - Main Campus	New Construction/Replacement	\$ 3,200,000	111.00
29	Northeastern Technical College	Campus Expansions/Renovations - Dillion Campus	Renovation/Expansion	\$ 1,000,000	86.00
30	Denmark Technical College	Renovation of Barnwell Facility	Renovation	\$ 657,567	69.83
31	Horry-Georgetown Technical College	General Purpose Classroom Building Conway	New Construction	\$ 12,000,000	62.50
32	York Technical College	Hood Center HVAC Replacement	Replacement	\$ 1,000,000	55.00
33	Greenville Technical College	Renovated Second Floor ARC for Classrooms	Renovation	\$ 4,575,000	54.00
<b>Grand Total</b>				<b>\$ 406,712,263</b>	